IBN18 (Mauritius) Limited

Independent Auditors' Report

TO THE MEMBER OF

ibn18 (Mauritius) Limited

Report on the Financial Statements

We have audited the financial statements of ibn18 (Mauritius) Limited from 7 to 32 which comprise the statement of financial position at 31 March 2016, the statement of comprehensive income, changes in equity and cash flows for the period then ended and a summary of significant accounting policies and other explanatory notes.

This report is made solely to the Company's member, as a body, in accordance with Section 205 of the Mauritius Companies Act. Our audit work has been undertaken so that we might state to the Company's members those matters that are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritius Companies Act and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Report on the Financial Statements (continued)

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 March 2016 and of its financial performance and cash flows for the period then ended in accordance with International Financial Reporting Standards and comply with the Mauritius Companies Act.

Report on Other Legal and Regulatory Requirements

Mauritius Companies Act

- We have no relationship with or interests in the Company other than in our capacity as auditors.
- We have obtained all the information and explanations we have required.

In our opinion proper accounting records have been kept by the Company as far as it appears from our examination of those records.

ROY SERVANSINGH ASSOCIATES
Licensed Auditors

Date : 11th April, 2016

SIGNING PARTER
SAMRAT C. SERVANSINGH (FCCA)
Licensed by FRC

Date : 11th April, 2016

Statement of Financial Position as at 31 March 2016

	Notes	31 March 2016 USD	31 March 2015 USD
ASSETS			
Current assets			
Deposits, advances and prepayments	4	**49,383,431**	48,132,146
Cash and bank balances	5	**14,927**	35,567
		49,398,358	48,167,713
Total assets		**49,398,358**	48,167,713
EQUITY AND LIABILITIES			
Equity			
Share capital	6	**56,250,000**	100
Revenue deficit		**(6,888,542)**	(8,132,599)
Total equity		**49,361,458**	(8,132,499)
Non-current liabilities			
Debentures	7	**-**	56,249,900
Current liabilities			
Account payables		**27,384**	25,261
Taxation	8	**9,516**	25,051
Total liabilities		**36,900**	50,312
Total equity and liabilities		**49,398,358**	48,167,713

The financial statements were approved by the directors on 11th April, 2016

DIRECTOR

NAME: **M ASLAM KOOMAR**

DIRECTOR

NAME: **SHARIFF GOLAM HOSSEN**

The accounting policies and the notes form an integral part of these financial statements

Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 March 2016

	Note	Year ended 31 March 2016 USD	Year ended 31 March 2015 USD
INCOME			
Interest on deposits		**146**	353
Interest on others		**1,306,927**	1,303,355
		1,307,073	1,303,708
EXPENSES			
Audit fees		**3,500**	3,500
Legal and professional fees and other expenses		**16,819**	9,452
Financial charges		**4,220**	5,714
		24,539	18,666
Profit for the year before taxation		**1,282,534**	1,285,042
Taxation	8	**(38,477)**	(38,551)
Profit for the year after taxation		**1,244,057**	1,246,491
Other comprehensive income		**-**	-
Total comprehensive income for the year		**1,244,057**	1,246,491

The accounting policies and the notes form an integral part of these financial statements

Statement of Changes in Equity for the year ended 31 March, 2016

	Share Capital USD	Revenue Deficit USD	Total USD
At 01 April 2014	100	(9,379,090)	(9,378,990)
Total comprehensive income for the year	-	1,246,491	1,246,491
At 31 March 2015	100	(8,132,599)	(8,132,499)
At 01 April 2015	100	(8,132,599)	(8,132,499)
Conversion of debentures into shares	56,249,900	-	56,249,900
Total comprehensive income for the year	-	1,244,057	1,244,057
At 31 March 2016	**56,250,000**	**(6,888,542)**	**49,361,458**

The accounting policies and the notes form an integral part of these financial statements

Statement of Cash Flows for the year ended 31 March 2016

	2016 USD	2015 USD
Cash flow from operating activities		
Profit for the year before taxation	**1,282,534**	1,285,042
Adjustments for:		
Change in account receivable	**(1,251,285)**	(1,288,892)
Change in account payable	**2,125**	11,800
	33,374	7,950
Less: Tax paid	**(54,014)**	(51,863)
Net cash used in operating activities	**(20,640)**	(43,913)
Net decrease in cash and cash equivalents	**(20,640)**	(43,913)
Cash and cash equivalents at beginning of the year	**35,567**	79,480
Cash and cash equivalents at end of the year	**14,927**	35,567

The accounting policies and the notes form an integral part of these financial statements

Notes to and forming part of the Financial Statements for the year ended 31 March, 2016

1. GENERAL INFORMATION

The Company was incorporated as a private limited company in the Republic of Mauritius on 19 February 2009. The principal activity of the Company is that of investment holding trading and providing consultancy services in the telecom and other fields. The Company was issued a Global Business Licence Category 1 on 27 September 2011.

2. ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all periods presented.

Basis of preparation

The financial statements have been prepared on the historical cost basis except for the measurement at fair values of the financial instruments carried on the statement of financial position.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. There are no critical estimates or judgements made by the Company for the year ended 31 March 2016.

Financial instruments

Financial instruments carried on the statement of financial position include deposits, advances and prepayments, cash and bank balances, and accounts payables. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

Cash and cash equivalents

Cash and cash equivalent includes cash in hand, deposit held at call with banks, other short term highly liquid investment with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown within borrowing in current liabilities on the statement of financial position.

Share capital

Ordinary shares are classified as equity.

Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Payables

Payables are recognised initially at fair value and subsequently stated at amortised cost. The difference between the proceeds and the amount payable is recognised over the period of the payable using the effective interest method.

Functional and presentation currency

The financial statements are presented in United States dollars ("USD") which is the company's functional and presentation currency. The Company holds a Category 1 Global Business Licence under the Financial Services Act 2007, which requires that the company's business or other activity is carried on in a currency other than the Mauritian rupee.

Notes to and forming part of the Financial Statements for the year ended 31 March, 2016

Derecognition of financial assets and liabilities

Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a Group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired;
- The Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- The Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Derecognition of financial assets and liabilities (continued)

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in statement of profit or loss and other comprehensive income.

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made.

Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of period / year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss and other comprehensive income.

Monetary assets and liabilities expressed in foreign currencies at year-end date are translated into USD at the exchange rates ruling at the reporting date. Translation differences on non-monetary financial assets and liabilities, such as equities at fair value through profit or loss are recognised in the income statement within the fair value net gain or loss. Translation differences on non-monetary items, such as equities, classified as available-for-sale financial assets are included in the fair value reserve in equity.

Notes to and forming part of the Financial Statements for the year ended 31 March, 2016

Revenue recognition

Interest income is recognised on a time-proportionate basis using the effective interest method and includes interest income from debt securities.

Related parties

Related parties are individuals and companies where the individual or company has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operational decisions.

2.1 APPLICATION OF NEW AND REVISED STANDARDS

The nature and the effect of these changes are disclosed below. Although these new standards and amendments applied for the first time in 2015, they did not have a material impact on the financial statements of the Company. The nature and the impact of each new standard or amendment is described below:

Annual Improvements 2010-2012 Cycle and Annual Improvements 2011-2013 Cycle

The Company applied these improvements for the first time in these financial statements. They include:

Effective for accounting period beginning on or after

Annual Improvements 2010-2012 Cycle

IAS 24 Related Party Disclosures 1 July 2014

Annual Improvements 2011-2013 Cycle

IFRS 13 Fair Value Measurement 1 July 2014

Where the adoption of the standard or interpretation or improvement is deemed to have an impact on the financial statements or performance of the Company, its impact is described as follows:

IAS 24 Related Party Disclosures

The amendment is applied retrospectively and clarifies that a management entity (an entity that provides key management personnel services) is a related party subject to the related party disclosures. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services.

The new standards and amendments which are not applicable to the Company are listed below:

Amendments to IAS 19 *Defined Benefit Plans: Employee Contributions – effective 1 July 2014*

IAS 19 requires an entity to consider contributions from employees or third parties when accounting for defined benefit plans. Where the contributions are linked to service, they should be attributed to periods of service as a negative benefit. These amendments clarify that, if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service. This amendment is effective for annual periods beginning on or after 1 July 2014. This amendment had no impact on the financial position of the Company's financial statements.

Annual Improvements 2010-2012 Cycle and Annual Improvements 2011-2013 Cycle

The improvements are not applicable to the Company:

	Effective for accounting period beginning on or after
Annual Improvements 2010-2012 Cycle	
IFRS 2 Share-based Payment	1 July 2014
IFRS 3 Business Combinations	1 July 2014
IFRS 8 Operating Segments	1 July 2014
IAS 16 Property, Plant and Equipment	1 July 2014
IAS 38 Intangible Assets	1 July 2014

Notes to and forming part of the Financial Statements for the year ended 31 March, 2016

Annual Improvements 2011-2013 Cycle	
IFRS 3 Business Combinations	1 July 2014
IAS 40 Investment Property	1 July 2014

IFRS 2 Share-based Payment

This improvement is applied prospectively and clarifies various issues relating to the definitions of performance and service conditions which are vesting conditions. The Company does not have a share based payment facility thus, these amendments did not impact the Company's financial statements or accounting policies.

IFRS 3 Business Combinations

The amendment is applied prospectively and clarifies that all contingent consideration arrangements classified as liabilities (or assets) arising from a business combination should be subsequently measured at fair value through profit or loss whether or not they fall within the scope of IAS 39. This is consistent with the Company's current accounting policy and, thus, this amendment did not impact the Company's accounting policy.

IFRS 8 Operating Segments

The amendments are applied retrospectively and clarify that:

- An entity must disclose the judgements made by management in applying the aggregation criteria in paragraph 12 of IFRS 8, including a brief description of operating segments that have been aggregated and the economic characteristics (e.g., sales and gross margins) used to assess whether the segments are 'similar'; and
- The reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker, similar to the required disclosure for segment liabilities.

The above does not impact the Company's financial position and performance.

IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets

The amendment is applied retrospectively and clarifies in IAS 16 and IAS 38 that the asset may be revalued by reference to observable data by either adjusting the gross carrying amount of the asset to market value or by determining the market value of the carrying value and adjusting the gross carrying amount proportionately so that the resulting carrying amount equals the market value. In addition, the accumulated depreciation or amortisation is the difference between the gross and carrying amounts of the asset.

This amendment did not have any impact as the Company does not have those assets.

Annual Improvements 2011-2013 Cycle

These improvements are effective from 1 July 2014 but are not applicable to the Company:

IFRS 3 Business Combinations

The amendment is applied prospectively and clarifies for the scope exceptions within IFRS 3 that:

- Joint arrangements, not just joint ventures, are outside the scope of IFRS 3; and
- This scope exception applies only to the accounting in the financial statements of the joint arrangement itself.

The Company has not entered into a joint arrangement, and thus this amendment is not relevant.

IAS 40 Investment Property

The description of ancillary services in IAS 40 differentiates between investment property and owner-occupied property (i.e., property, plant and equipment). The amendment is applied prospectively and clarifies that IFRS 3, and not the description of ancillary services in IAS 40, is used to determine if the transaction is the purchase of an asset or a business combination. The amendment does not have any impact on the Company as the latter does not have Investment Property.

Notes to and forming part of the Financial Statements for the year ended 31 March, 2016

IFRS 13 Fair Value Measurement

The amendment is applied prospectively and clarifies that the portfolio exception in IFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of IAS 39. The Company does not apply the portfolio exception in IFRS 13.

2.2 STANDARDS, INTERPRETATIONS AND AMENDMENTS ISSUED BUT NOT YET EFFECTIVE

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

	Effective for accounting period beginning on or after
IFRS 9 Financial Instruments	1 January 2018
Sale or contribution of assets between an investor and its associate or joint venture (Amendments to IFRS 10 and IAS 28)	1 January 2016
Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28)	1 January 2016
IFRS 14 Regulatory Deferral Accounts	1 January 2016
IFRS 15 Revenue from Contracts with Customers	1 January 2018
IFRS 16 Leases	1 January 2019
Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11)	1 January 2016
Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38)	1 January 2016
Agriculture: Bearer Plants (Amendments to IAS 16 and IAS 41)	1 January 2016
Amendments to IAS 27: Equity Method in Separate Financial Statement	1 January 2016
Annual improvements 2012 - 2014 Cycle	1 July 2016
Disclosure initiative - Amendments to IAS 1	1 January 2016

The standards and interpretations issued but not yet effective which are applicable to the Company are listed below:

IFRS 9 Financial Instruments

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments that replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. IFRS 9 brings together all three aspects of the accounting for financial instruments project: classification and measurement, impairment and hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Except for hedge accounting, retrospective application is required but providing comparative information is not compulsory. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions.

IFRS 9 Financial Instruments – Classification and measurement of financial assets, Accounting for financial liabilities and derecognition– 1 January 2018

IFRS 9 introduces new requirements for classifying and measuring financial assets, as follows:

Classification and measurement of financial assets

All financial assets are measured at fair value on initial recognition, adjusted for transaction costs if the instrument is not accounted for at fair value through profit or loss (FVTPL). Debt instruments are subsequently measured at FVTPL, amortised cost or fair value through other comprehensive income (FVOCI), on the basis of their contractual cash flows and the business model under which the debt instruments are held. There is a fair value option (FVO) that allows financial assets on initial recognition to be designated as FVTPL if that eliminates or significantly reduces an accounting mismatch. Equity instruments are generally measured at FVTPL. However, entities have an irrevocable option on an instrument-by-instrument basis to present changes in the fair value of non-trading instruments in other comprehensive income (OCI) (without subsequent reclassification to profit or loss).

Notes to and forming part of the Financial Statements for the year ended 31 March, 2016

Classification and measurement of financial liabilities

For financial liabilities designated as FVTPL using the FVO, the amount of change in the fair value of such financial liabilities that is attributable to changes in credit risk must be presented in OCI. The remainder of the change in fair value is presented in profit or loss, unless presentation of the fair value change in respect of the liability's credit risk in OCI would create or enlarge an accounting mismatch in profit or loss. All other IAS 39 Financial Instruments: Recognition and Measurement classification and measurement requirements for financial liabilities have been carried forward into IFRS 9, including the embedded derivative separation rules and the criteria for using the FVO.

Impairment

The impairment requirements are based on an expected credit loss (ECL) model that replaces the IAS 39 incurred loss model. The ECL model applies to: debt instruments accounted for at amortised cost or at FVOCI; most loan commitments; financial guarantee contracts; contract assets under IFRS 15; and lease receivables under IAS 17 Leases. Entities are generally required to recognise either 12-months' or lifetime ECL, depending on whether there has been a significant increase in credit risk since initial recognition (or when the commitment or guarantee was entered into). For some trade receivables, the simplified approach may be applied whereby the lifetime expected credit losses are always recognised.

Hedge accounting

Hedge effectiveness testing is prospective, without the 80% to 125% bright line test in IAS 39, and, depending on the hedge complexity, can be qualitative. A risk component of a financial or non-financial instrument may be designated as the hedged item if the risk component is separately identifiable and reliably measureable. The time value of an option, any forward element of a forward contract and any foreign currency basis spread, can be excluded from the designation as the hedging instrument and accounted for as costs of hedging. More designations of groups of items as the hedged item are possible, including layer designations and some net positions.

The application of IFRS 9 may change the measurement and presentation of many financial instruments, depending on their contractual cash flows and business model under which they are held. The impairment requirements will generally result in earlier recognition of credit losses. The new hedging model may lead to more economic hedging strategies meeting the requirements for hedge accounting.

The Company plans to adopt the new standard on the required effective date.

Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28) - effective 1 January 2016

This amendment to IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 28 Investments in Associates and Joint Ventures (2011) was made to address issues that have arisen in the context of applying the consolidation exception for investment entities by clarifying the following points:

- The exemption from preparing consolidated financial statements for an intermediate parent entity is available to a parent entity that is a subsidiary of an investment entity, even if the investment entity measures all of its subsidiaries at fair value.
- A subsidiary that provides services related to the parent's investment activities should not be consolidated if the subsidiary itself is an investment entity.
- When applying the equity method to an associate or a joint venture, a non-investment entity investor in an investment entity may retain the fair value measurement applied by the associate or joint venture to its interests in subsidiaries.
- An investment entity measuring all of its subsidiaries at fair value provides the disclosures relating to investment entities required by IFRS 12.

The Directors are still assessing the impact of the above amendments.

IFRS 15 Revenue from Contracts with Customers – effective 1 January 2018

IFRS 15 provides a single, principles based five-step model to be applied to all contracts with customers.

The five steps in the model are as follows:

- Identify the contract with the customer;

Notes to and forming part of the Financial Statements for the year ended 31 March, 2016

- Identify the performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contracts; and
- Recognise revenue when (or as) the entity satisfies a performance obligation.

Guidance is provided on topics such as the point in which revenue is recognised, accounting for variable consideration, costs of fulfilling and obtaining a contract and various related matters. New disclosures about revenue are also introduced.

The Company is still assessing the impact of this new standard.

Amendments to IAS 27: Equity Method in Separate Financial Statements - effective 1 January 2016

The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. Entities already applying IFRS and electing to change to the equity method in its separate financial statements will have to apply that change retrospectively.

For first-time adopters of IFRS electing to use the equity method in its separate financial statements, they will be required to apply this method from the date of transition to IFRS. The amendments are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted.

The Company is still assessing whether to adopt this change in IAS 27.

Disclosure Initiative (Amendments to IAS 1) - effective 1 January 2016

Amends IAS 1 Presentation of Financial Statements to address perceived impediments to preparers exercising their judgement in presenting their financial reports by making the following changes:

- clarification that information should not be obscured by aggregating or by providing immaterial information, materiality considerations apply to the all parts of the financial statements, and even when a standard requires a specific disclosure, materiality considerations do apply;
- clarification that the list of line items to be presented in these statements can be disaggregated and aggregated as relevant and additional guidance on subtotals in these statements and clarification that an entity's share of OCI of equity-accounted associates and joint ventures should be presented in aggregate as single line items based on whether or not it will subsequently be reclassified to profit or loss; and
- additional examples of possible ways of ordering the notes to clarify that understandability and comparability should be considered when determining the order of the notes and to demonstrate that the notes need not be presented in the order so far listed in paragraph 114 of IAS 1.

The Company is still assessing the impact of this new standard.

The standards and interpretations issued but not yet effective which are not applicable to the Company are listed below:

Sale or contribution of assets between an investor and its associate or joint venture (Amendments to IFRS 10 and IAS 28) - effective 1 January 2016

This amendment to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures (2011) was made to clarify the treatment of the sale or contribution of assets from an investor to its associate or joint venture, as follows:

- it requires full recognition in the investor's financial statements of gains and losses arising on the sale or contribution of assets that constitute a business (as defined in IFRS 3 Business Combinations); and
- it requires the partial recognition of gains and losses where the assets do not constitute a business, i.e. a gain or loss is recognised only to the extent of the unrelated investors' interests in that associate or joint venture.

These requirements apply regardless of the legal form of the transaction, e.g. whether the sale or contribution of assets occurs by an investor transferring shares in a subsidiary that holds the assets (resulting in loss of control of the subsidiary), or by the direct sale of the assets themselves.

Notes to and forming part of the Financial Statements for the year ended 31 March, 2016

IFRS 14 Regulatory Deferral Accounts - effective 1 January 2016

IFRS 14 permits an entity which is a first-time adopter of International Financial Reporting Standards to continue to account, with some limited changes, for 'regulatory deferral account balances' in accordance with its previous GAAP, both on initial adoption of IFRS and in subsequent financial statements.

This new standard will not have an impact, as the Company is not a first time adopter of IFRS.

IFRS 16 Leases – effective 1 January 2019

The IASB has redrafted this new leasing standard that would require lessees to recognise assets and liabilities for most leases. Lessees applying IFRS would have a single recognition and measurement model for all leases (with certain exemptions). Lessors applying IFRS would classify leases using the principle in IAS 17; in essence, lessor accounting would not change. The IASB and the FASB have made different decisions about lease classification and the recognition, measurement and presentation of leases for lessees and lessors.

The above amendment does impact the Company as the latter does not have leases.

Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11) - effective 1 January 2016

Amends IFRS 11 Joint Arrangements to require an acquirer of an interest in a joint operation in which the activity constitutes a business (as defined in IFRS 3 Business Combinations) to:

- Apply all of the business combinations accounting principles in IFRS 3 and other IFRSs, except for those principles that conflict with the guidance in IFRS 11
- Disclose the information required by IFRS 3 and other IFRSs for business combinations.

The amendments apply both to the initial acquisition of an interest in joint operation, and the acquisition of an additional interest in a joint operation (in the latter case, previously held interests are not remeasured).

The amendment will not have an impact since the Company does not have any interests in joint operations.

Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38) - effective 1 January 2016

Amends IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets to:

- Clarify that a depreciation method that is based on revenue that is generated by an activity that includes the use of an asset is not appropriate for property, plant and equipment;
- Introduce a rebuttable presumption that an amortisation method that is based on the revenue generated by an activity that includes the use of an intangible asset is inappropriate, which can only be overcome in limited circumstances where the intangible asset is expressed as a measure of revenue, or when it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated; and

Add guidance that expected future reductions in the selling price of an item that was produced using an asset could indicate the expectation of technological or commercial obsolescence of the asset, which, in turn, might reflect a reduction of the future economic benefits embodied in the asset.

The amendment will not have an impact since the Company does not use a depreciation method based on revenue for its plant and equipment and intangible assets.

Agriculture: Bearer Plants (Amendments to IAS 16 and IAS 41) -effective 1 January 2016

Amends IAS 16 - Property, Plant and Equipment and IAS 41 - Agriculture to:

- Include 'bearer plants' within the scope of IAS 16 rather than IAS 41, allowing such assets to be accounted for a property, plant and equipment and measured after initial recognition on a cost or revaluation basis in accordance with IAS 16;
- Introduce a definition of 'bearer plants' as a living plant that is used in the production or supply of agricultural produce, is expected to bear produce for more than one period and has a remote likelihood of being sold as agricultural produce, except for incidental scrap sales; and

Notes to and forming part of the Financial Statements for the year ended 31 March, 2016

- Clarify that produce growing on bearer plants remains within the scope of IAS 41.

The amendment will not have an impact as the Company does not have Property, Plant and Equipment.

Annual improvements 2012 – 2014 Cycle -effective 1 July 2016

The annual improvements 2012-2014 Cycle make amendments to the following standards:

- IFRS 5 - Adds specific guidance in IFRS 5 for cases in which an entity reclassifies an asset from held for sale to held for distribution or vice versa and cases in which held-for-distribution accounting is discontinued;
- IFRS 7 – Additional guidance given to clarify whether a servicing contract is continuing involvement in a transferred assets, and clarification made on offsetting disclosures in condensed interim financial statements;
- IAS 9 – Clarifies that the high quality corporate bonds used in estimating the discount rate for post-employment benefits should be denominated in the same currency as the benefits to be paid; and
- IAS 34 – Clarifies the meaning of “elsewhere in the interim report” and require a cross reference.

The directors will assess the impact of the amendments when they become effective.

No early adoption of these standards and interpretations is intended by the Board of directors.

3. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Critical accounting judgments in applying the Company’s accounting policies

In the process of applying the Company’s accounting policies, which are described in Note 2, the directors have made the following judgements that have the most significant effect on the amounts recognised in the financial statements:-

Determination of functional currency

The determination of the functional currency of the Company is critical since recording of transactions and exchange differences arising there from are dependent on the functional currency selected. As described in Note 2, the directors have considered those factors described therein and have determined that the functional currency of the Company is the United States Dollar (“USD”).

4. DEPOSITS, ADVANCES AND PREPAYMENTS (UNSECURED, CONSIDERED GOODS)

	2016 **USD**	2015 USD
Prepaid expenses	**1,580**	7,217
Loans to fellow subsidiaries	**49,381,828**	48,124,901
Interest accrued but not due	**23**	28
	49,383,431	48,132,146

5. CASH AND BANK BALANCES

	2016 **USD**	2015 USD
Balance in current Account	**1,669**	18,860
Balance in deposit Account	**13,258**	16,707
	14,927	35,567

Notes to and forming part of the Financial Statements for the year ended 31 March, 2016

6. SHARE CAPITAL

	2016 USD	2015 USD
Issued, subscribed and paid up		
Equity shares of USD 1.00 each fully paid	**100**	100
Conversion of debentures into shares (note 7)	**56,249,900**	-
	56,250,000	100

7. DEBENTURES

	2016 USD	2015 USD
0.01% Optionally convertible debentures in Tv18 Broadcast Limited	**56,249,900**	56,249,900
Conversion of debentures into shares (note 6)	**(56,249,900)**	-
	-	56,249,900

8. TAXATION

The Company, being the holder of a Category 1 Global Business Licence, is subject to income tax in Mauritius at the rate of 15 %. However, it is entitled to a credit equivalent to the higher of the actual foreign tax suffered and 80 % of the Mauritian tax on its foreign source income, thus reducing its maximum effective tax rate to 3%.

A provision for tax of **USD 38,477** (2015: USD 38,551) has been made in the financial statements with regards to profit which arose as from the date the Company was converted to a Category 1 Business Licence Company.

	2016 USD	2015 USD
Charge for the year	**38,477**	38,551
Less tax paid under APS	**(28,961)**	(13,500)
	9,516	25,051

Tax reconciliation:

A reconciliation of the income tax expense based on accounting profit and actual income tax expense is as follows:

	2016	2015
Profit before taxation	**1,282,534**	1,285,042
Profit charge to income tax	**1,282,534**	1,285,042
Income tax at 15%	**192,380**	192,756
Foreign tax (credit)/ allowances of 80%	**(153,903)**	(154,205)
	38,477	38,551

Notes to and forming part of the Financial Statements for the year ended 31 March, 2016

9. EARNINGS PER SHARE

Basic earnings per equity share is computed by dividing net profit after tax by the weighted average number of equity shares outstanding at the year end. Diluted earnings per equity share is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the year. The details are:

	2016 USD	2015 USD
Total operations for the year		
Profit after tax attributable to equity shareholders	**1,244,057**	1,246,491
Net profit for calculation of basic EPS	**1,244,057**	1,246,491
Net profit as above	**1,244,257**	1,246,491
Add: Interest on Optionally Convertible		
Debentures into equity shares (net of tax)	**2,651**	4,171
Net profit for diluted EPS	**1,246,908**	1,250,662
Weighted average number of equity shares in calculating basic EPS	**20,748,014**	100
Effect of dilution:		
Convertible Zero Coupon Optionally Fully Convertible Debenture	**35,501,986**	56,249,000
Weighted average number of equity shares in calculating diluted EPS	**56,250,000**	56,250,000
Nominal value of equity share	**1**	1
Earnings per share		
Basic	**0.06**	12,464.91
Diluted	**0.02**	0.02

10. PARENT COMPANY

ibn18 (Mauritius) Limited is a wholly owned subsidiary of TV18 Broadcast Limited, a public company incorporated under the laws of India and listed on the Bombay Stock Exchange and the National Stock Exchange of India.

11. RELATED PARTY DISCLOSURES

Description of relationship	**Names of related parties**
Enterprises exercising control	Independent Media Trust (w.e.f. 07 July 2014) Adventure Marketing Private Limited (w.e.f. 07 July 2014)# Colorful Media Private Limited (w.e.f. 07 July 2014)# RB Holdings Private Limited (w.e.f. 07 July 2014)# RB Media Holdings Private Limited (w.e.f. 07 July 2014)# RB Mediasoft Private Limited (w.e.f. 07 July 2014)# RRB Mediasoft Private Limited (w.e.f. 07 July 2014)# Watermark Infratech Private Limited (w.e.f. 07 July 2014)# Network18 Media & Investments Limited TV18 Broadcast Limited
Beneficiary/Protector of Independent Media Trust	Reliance Industries Limited (RIL) (w.e.f. 07 July 2014) Reliance Industrial Investments and Holdings Limited (w.e.f. 07 July 2014)
Fellow Subsidiaries	AETN18 Media Private Limited Big Tree Entertainment Private Limited Big Tree Entertainment Singapore Pte. Ltd. BK Holdings Limited (Amalgamated with Network18

Notes to and forming part of the Financial Statements for the year ended 31 March, 2016

Description of relationship	Names of related parties
Fellow Subsidiaries	Holdings Ltd w.e.f. 03 June 2014) Capital18 Fincap Private Limited Capital18 Limited, Mauritius(Amalgamated with Network18 Holdings Ltd w.e.f. 03 June 2014) Colosceum Media Private Limited Digital 18 Media Limited e - Eighteen.com Limited E-18 Limited, Cyprus Equator Trading Enterprise Limited Fantain Sports Private Limited (Wef February 2016) Greycells 18 Media Limited Infomedia Press Limited Moneycontrol Dot Com India Limited Network18 Holdings Limited NW 18 HSN Holdings Plc (formerly TV18 HSN Holdings Limited) Cyprus Panorama Entertainment Private Limited Prism TV Private Limited (up to 31st July 2015 by virtue of board control) Reed Infomedia India Private Limited Reliance Retail Limited (w.e.f. 07 July 2014)* RRB Investments Private Limited RRK Finhold Private Limited RVT Finhold Private Limited RVT Media Private Limited Setpro18 Distribution Limited Space Bound Web Labs Private Limited Stargaze Entertainment Private Limited (up to 23rd April 2015) Television Eighteen Mauritius Limited Television Eighteen Media and Investments Limited TV18 Broadcast Limited TV18 Home Shopping Network Limited Web 18 Holdings Limited, Cyprus Web 18 Software Services Limited
Joint ventures	IBN Lokmat News Private Limited Indiacast Media Distribution Pvt. Limited Indiacast UK Limited Indiacast US Limited Indiacast UTV Media Distribution Private Limited Prism TV Private Limited (wef 1 st August 2015) Roptonal Limited, Cyprus The Indian Film Company Limited [merged with Roptonal Limited w.e.f. 19th January, 2015] Ubona Technologies Private Limited Viacom 18 Media Private Limited Viacom18 Media UK Limited Viacom18 US Inc.
Associates	24X7 Learnings Private Limited Aeon Learnings Private Limited Eenadu Television Private Limited Wespro Digital Private Limited (up to 8th April 2015)

Control by Independent Media Trust of which RIL is the sole beneficiary.
*Subsidiary of RIL, the sole beneficiary of Independent Media Trust.

Notes to and forming part of the Financial Statements for the year ended 31 March, 2016

Related party transactions

		2016 USD	2015 USD
BK Holdings Ltd			
a)	TRANSACTIONS		
	Balance Transferred to Network18 Holding on amalgamation	**-**	(26,253,849)
b)	BALANCE RECEIVABLE	-	-
Television 18 Media & Investment Ltd			
a)	TRANSACTIONS		
	Interest on ICD	**552,048**	550,538
	Payment made during the year	**25,000**	-
b)	BALANCE RECEIVABLE	**21,665,284**	21,138,236
TV 18 Broadcast Limited			
a)	Interest on Debenture	**2,733**	4,300
b)	Debenture Converted into equity	**56,249,900**	-
c)	BALANCE PAYABLE	**(16,829)**	(56,263,996)
Network 18 Holding Limited			
a)	Balance Transferred from BK Holding on amalgamation	**-**	26,253,849
	Interest on ICD	**754,879**	732,816
	Payment made during the year	**25,000**	-
b)	BALANCE RECEIVABLE	**27,716,544**	26,986,665

12. FAIR VALUE

The carrying amount of deposits, advances and prepayments, cash and bank balances and account payables approximate their fair values.

13. FINANCIAL SUMMARY

	2016 USD	2015 USD
Opening balance	**(8,132,599)**	(9,379,090)
Profit for the year	**1,244,057**	1,246,491
Loss carried forward	**(6,888,542)**	(8,132,599)

14. GOING CONCERN

The financial statements have been prepared on a going concern basis which assumes that the Company will continue in operational existence for the foreseeable future. The validity of this assumption depends on the continued support of the shareholder.

The directors are of the opinion that this support will be forthcoming over the next twelve months. They therefore believe that it is appropriate for the financial statements to be prepared on a going concern basis.